Davis-Besse Nuclear Power Station

IMC 0350 Meeting

Desired Outcomes

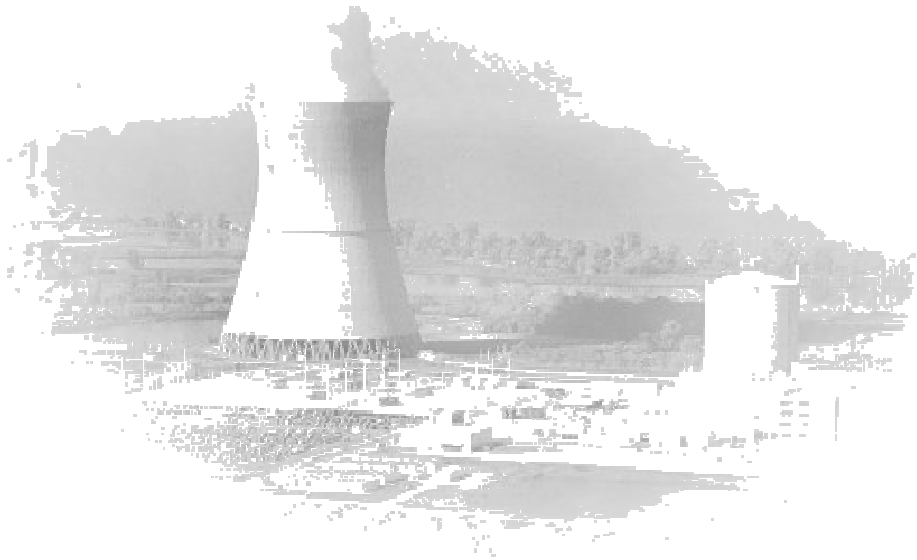
- Demonstrate Davis-Besse's operations continue to be safe and conservative
- Provide an overview of performance
- Discuss the FENOC fleet standard organization
- Status the improvement initiatives and Confirmatory Order

Mark Bezilla
Vice President

Meeting Agenda

- Plant Performance…… Barry Allen
- Improvement Initiatives, Performance Monitoring, and Independent Assessments …….. Barry Allen
- Site Assessments ……Mark Bezilla
  Kevin Ostrowski
- Mid-Cycle Outage…… Mark Bezilla
- Oversight Perspective…….Ralph Hansen

Plant Performance



Barry Allen
Plant Manager

People with a strong safety focus delivering top fleet operating performance

- Plant Status
  - ~100% power
  - 925 Mwe
  - 107 continuous days of service
  - 22 Human Performance success days

Plant Performance

Emergency Plan Drill

- Noteworthy items
  - Buoy markers placed in Lake Erie
  - May 19 - Assessment on Safety Culture Monitoring
  - May 19 - Missing floor plug
  - May 20, 2004 - Successfully completed Emergency Plan Drill

Plant Performance

Teamwork, Ownership, and Pride Team

- Noteworthy items
  - May 20 - ASME National Board
    - Nuclear repair and repair stamp authorized
  - May 20 - Monthly performance review of performance indicators with Executive Leadership Team
  - May 21 - Ohio EPA annual inspection
  - May 25 - Station tour for the Energy Aide to State Senator

Plant Performance

State of Ohio Officials tour DBNPS

- Noteworthy items
  - June 2 - State of Ohio officials (Security and Emergency Preparedness) toured the plant
  - June 4 - Eight of eight License Candidates passed NRC Exams
  - June 5 - Incorrect procedure used
  - June 16 - Deputy Executive Director for Reactor Programs, NRC/NRR site visit

Plant Performance

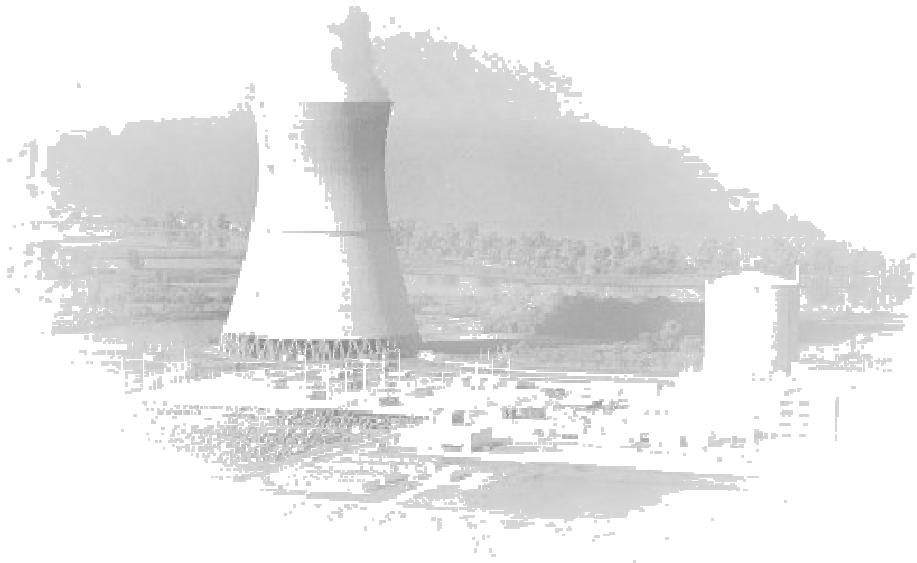
Complying with the NRC Security Orders

- Noteworthy items
  - June 20 - Incorrect valve factor
  - June 23 - Seventeen of seventeen 2005 Licensee Candidates passed the NRC Generic Fundamentals examination
  - June 23 - SCWE Follow-up Assessment
  - July 1 - Entered Off-Normal procedure
  - July 2 - NRC Modification and 50.59 Inspection Exit

Conclusion

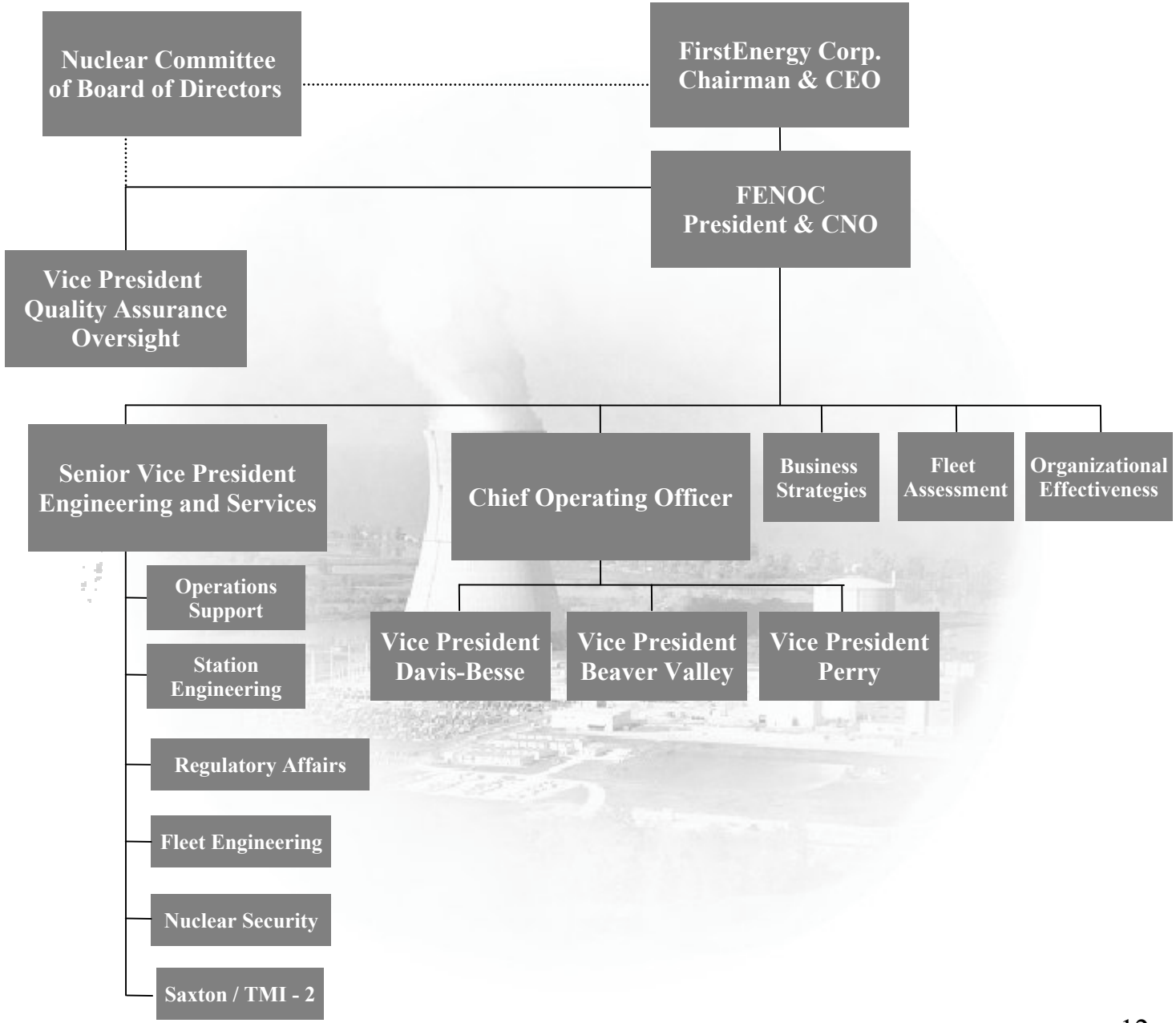
- Davis-Besse's operations continue to be safe and conservative

Fleet Standard Organization



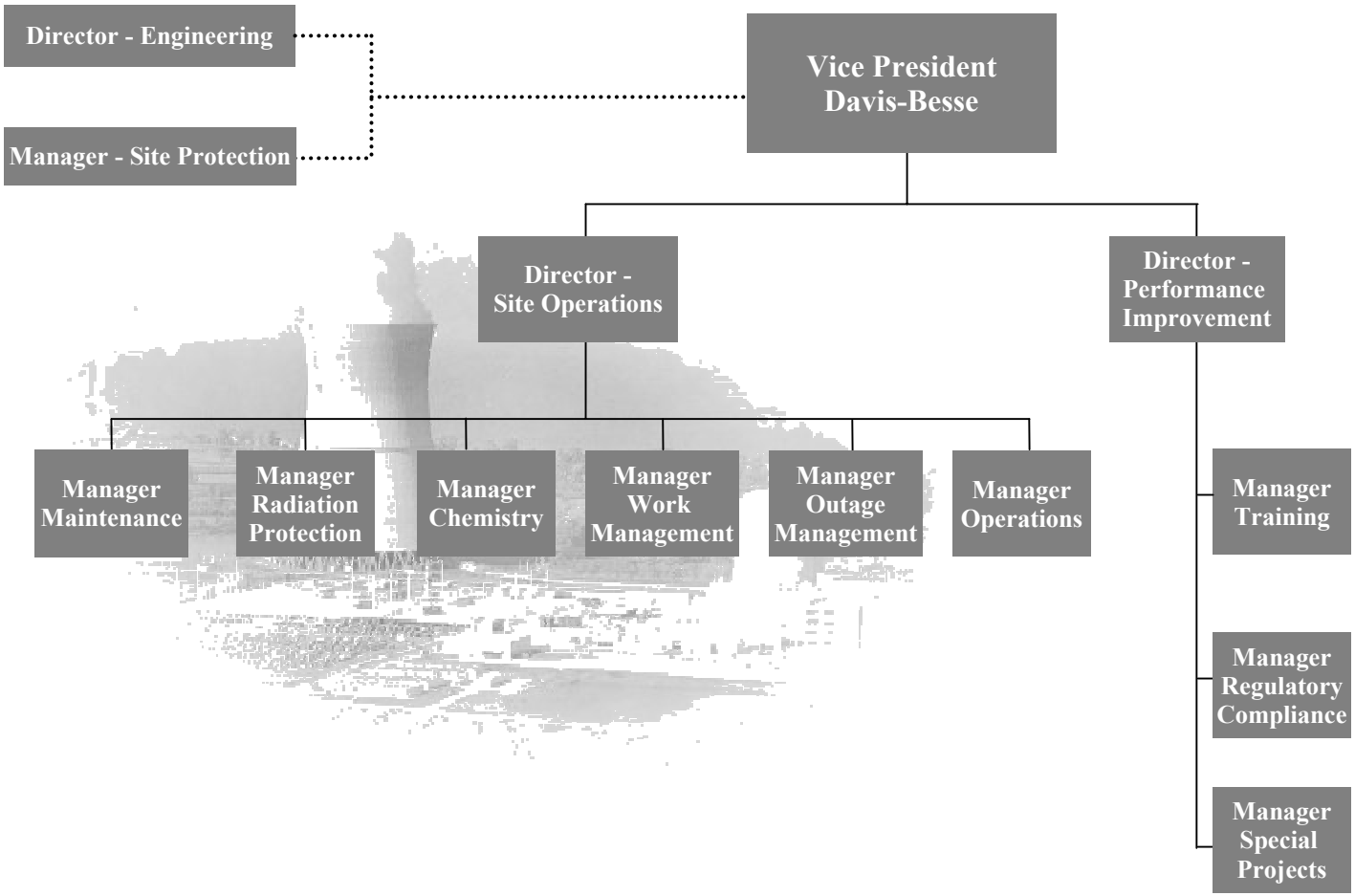
Mark Bezilla
Vice President

FENOC Organization

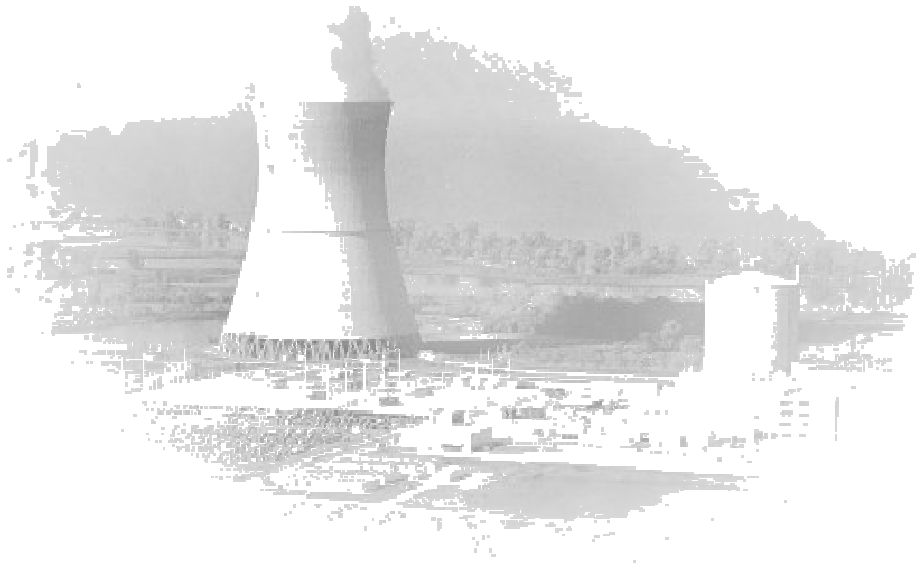


Davis-Besse Nuclear Power Station

FENOC Organization



Improvement Initiatives, Performance Monitoring, and Independent Assessments



Barry Allen
Plant Manager

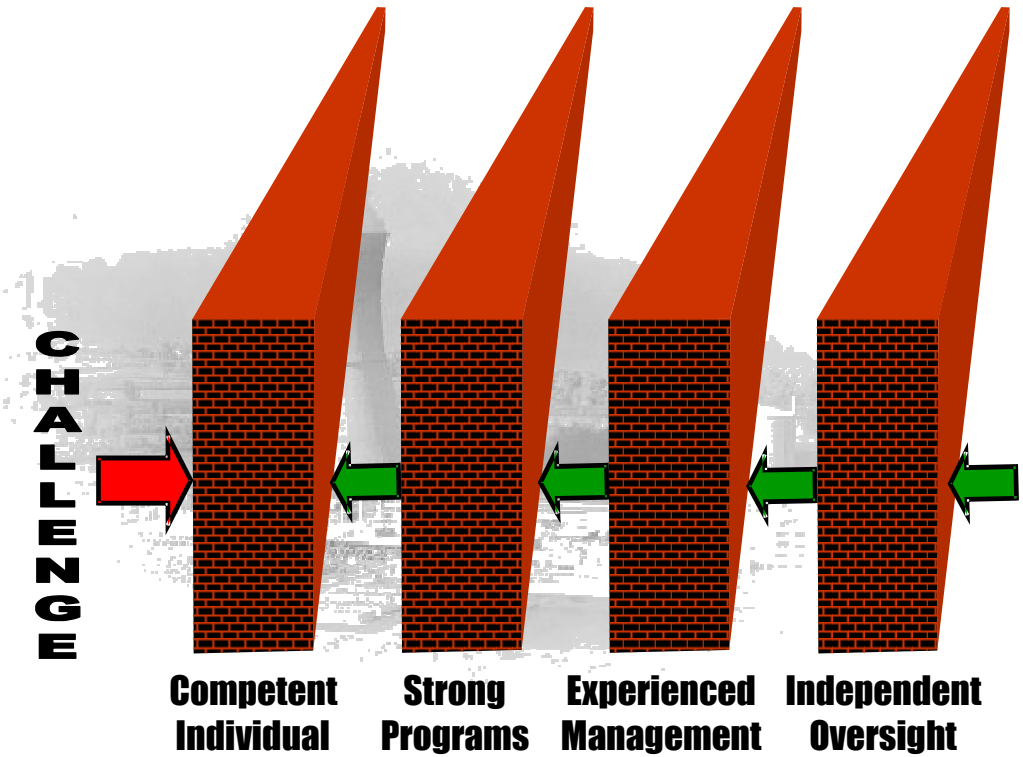
Actions for Continuous Improvement

- Integrated Restart Report dated November 23, 2003 & Supplement to report dated February 6, 2004
  - –Appendix A Commitments 38
  - –Closed to date 24
- Cycle 14 Operational Improvement Plan
  - –Appendix D Commitments 94
  - –Closed to date 51
- Confirmatory Order
  - –Commitments 6

Performance Monitoring

- Operations
- Engineering
- Corrective Action
- Safety Culture

Barriers Demonstrating FENOC's Strong Safety Focus



FENOC Vision
People with a strong safety focus delivering top fleet operating performance

Performance Summary
Operations

- Areas of safe and reliable operations
  - –Collective Dose and Personnel Contamination Events
  - –Containment Health
  - –Online Work Management
- Opportunities for improvement
  - –Site Clock Resets
  - –Preventive Maintenance Backlog

Performance Summary
Engineering

- Areas of safe and reliable operations
  - Corrective Action Backlog
  - Training conducted on Design Control, Configuration Management, and Control of Engineering Margins
  - Fuel Reliability
  - Design Modification and 50.59 Evaluation

- Opportunities for improvement
  - Backlog Reduction Effort
  - System Reviews

Performance Summary

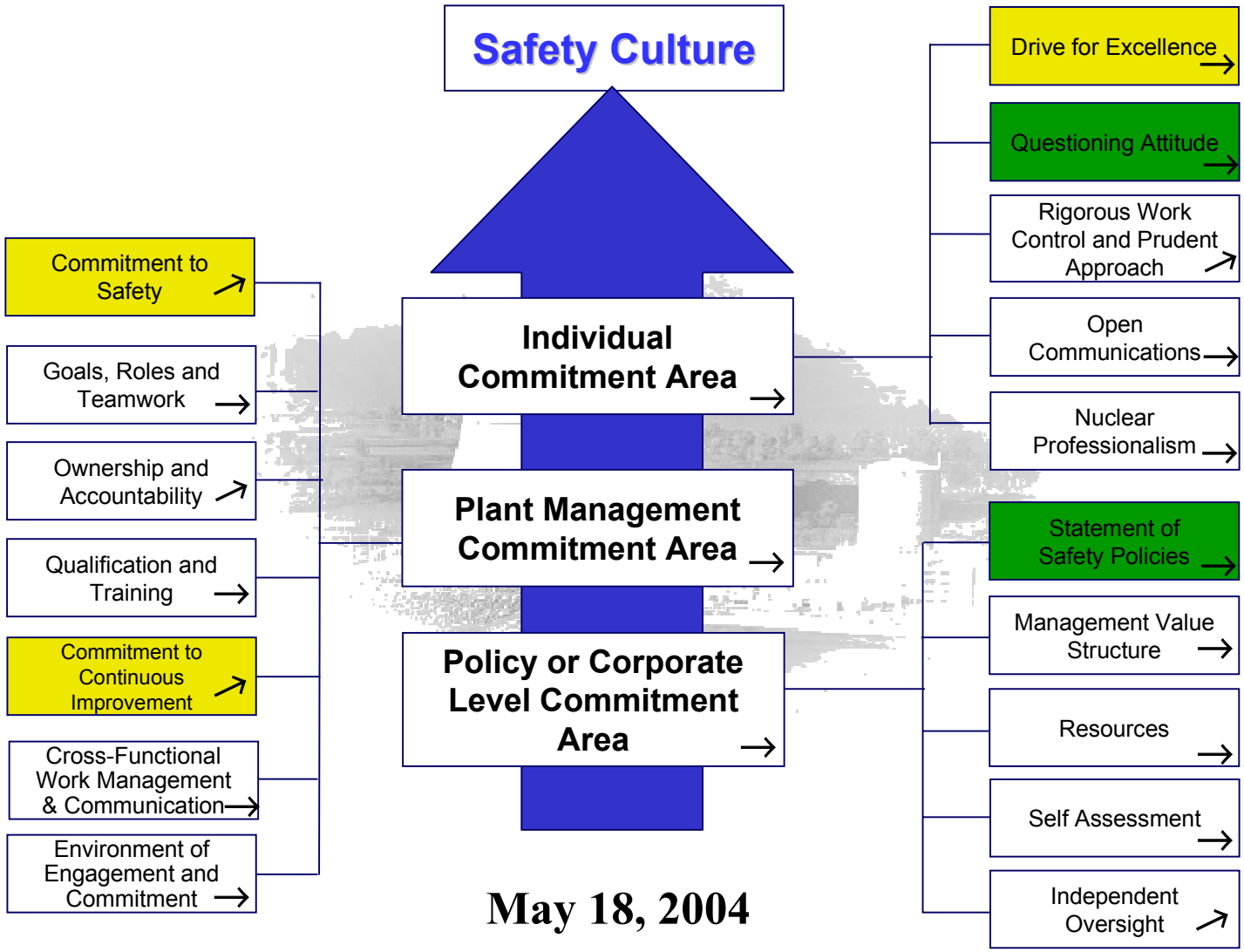
Corrective Action Program

- Areas of safe and reliable operations
  - Backlog Reductions
- Opportunities for improvement
  - Corrective Action Program Effectiveness
  - Timeliness

Performance Summary
Safety Culture

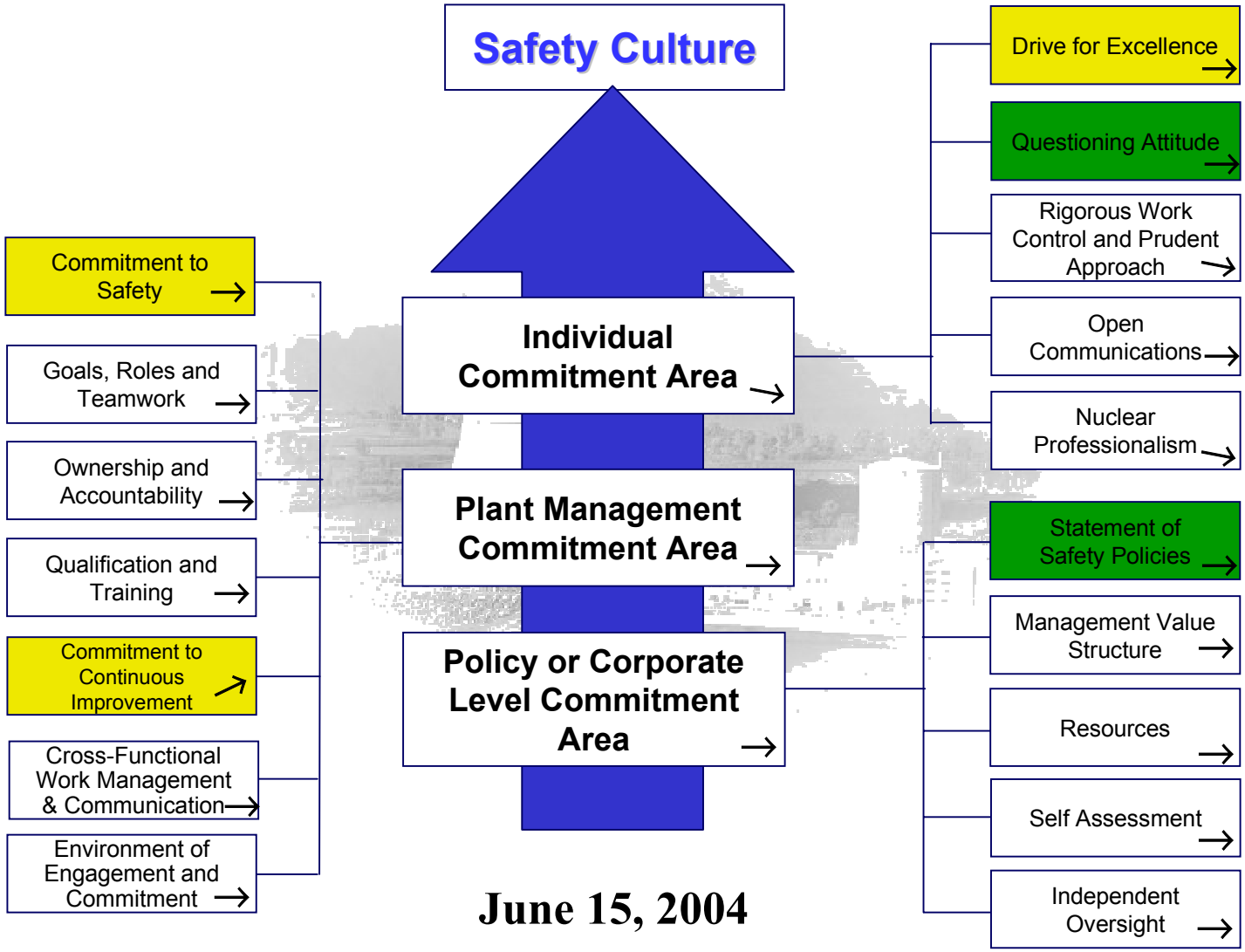
- Areas of safe and reliable operations
  - Commitment to Continuous Improvement
- Opportunities for improvement
  - Individual Commitment Area
    - Site Clock Resets
    - Corrective Action Program

Safety Culture - FENOC Model



May 18, 2004

Safety Culture - FENOC Model

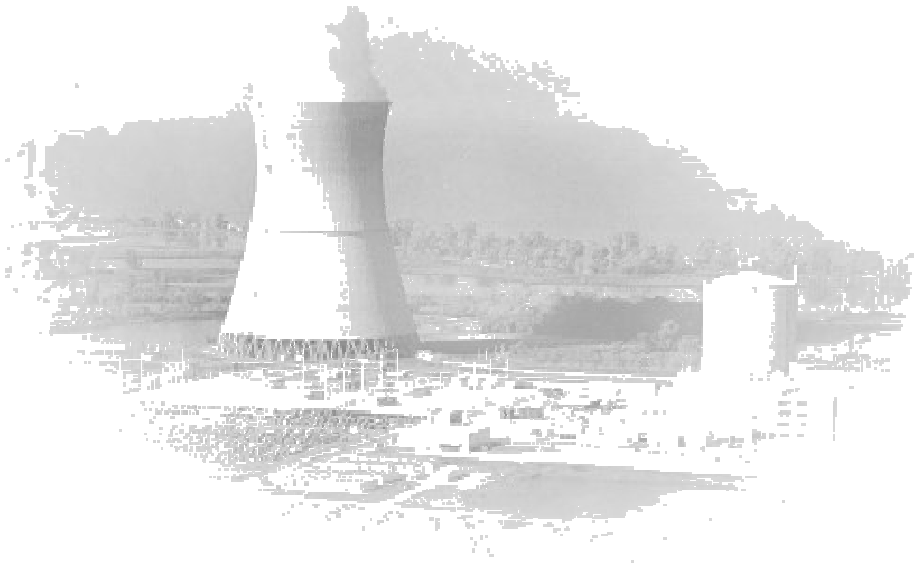


June 15, 2004

Independent Assessments

- Current 2004 Schedule
  - –Operations Performance (August)
  - –Corrective Action Program Implementation (September)
  - –Engineering Program Effectiveness (October)
  - –Organizational Safety Culture, including SCWE (November)
- Operation Performance Assessment (Week of August 16)
  - –Assessment Plan
  - –Scope
    - –Conduct of Operations
  - –Assessment Team
    - –2 Consultants
    - –2 Industry Representatives
  - –Assessment Report

Site Assessments



Mark Bezilla
Vice President

Site Assessments

National Board of Boiler and Pressure Vessel Inspectors Review

- May 17 - May 19, 2004 - Inspectors reviewed American Society of Mechanical Engineers Quality Assurance Program for renewal of 'NR' stamp and issuance of 'R' stamp

- "NR" and "R" Certificate of Authorization issued in June, 2004

Site Assessments
Integrated Emergency Plan Drill

- May 20, 2004 - Completed an integrated Emergency Plan Drill
- Observed by NRC residents and county officials
- Successful performance and qualified 12 new ERO members

Site Assessments
Collective Significance Self-Assessments

- Collective Significance Assessment Areas
  - –Plant Operations
  - –Work Management (Maintenance)
  - –Engineering
  - –Support Services
  - –Matrix Organizations

Site Assessments
Collective Significance Self-Assessments

- Common themes
  - Areas of safe and reliable operations
    - Fleet Procedures and Guidelines under development
    - Observation program is being utilized by sections
    - Good use of the Corrective Action Program
    - Dose control and Personnel Contamination
  - Areas for improvement
    - Backlogs (Procedure Change Requests and Condition Reports)
    - Work Order Quality
    - Emergent issues
    - Conduct of Training

Site Assessments
Operations Assessment

- Safety-focused plant operation through consistent implementation of a rigorous Conduct of Operation

Kevin Ostrowski
Manager - Plant Operations

Site Assessments
Operations Assessment

- Areas of safe and reliable operations
  - Safe, event free and conservative operation
  - Improved accountability
  - Just-in-time training usage
  - Performance Feedback
  - Electronic LCO tracking
  - Organizational support
    - Problem-solving and decision-making teams
    - Duty teams (observations/ conference calls)

Site Assessments
Operations Assessment

- Operations focus areas
  - Attention to detail on routine tasks
  - Staffing
  - Training
  - Pre-job briefings
  - Conduct of Operations

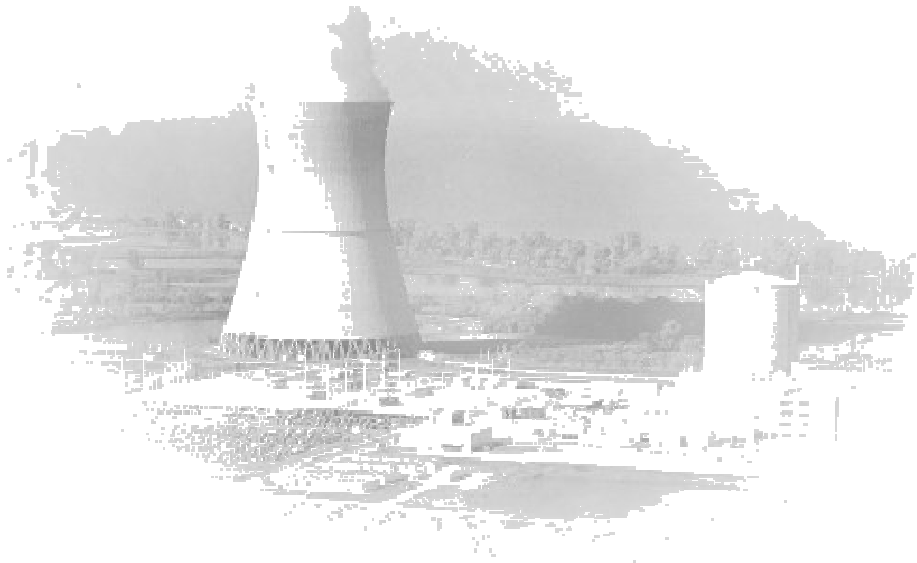
Site Assessments
Industry Review

- Areas of safe and reliable operations
  - –Management engagement
  - –Improvements in safety margins
  - –Improvements in ECCS response capability
  - –Intrusiveness of the Quality Assurance Organization
- Improvement areas of focus
  - –Operational focus
  - –Work Management
  - –Training
  - –Individual and procedure barriers
- Summary
  - –The Davis-Besse staff is knowledgeable of needed areas for improvement and that the Business Plan/Operational Improvement Plan are focused upon the correct initiatives to address these weaknesses

Site Assessments
SCWE Survey Review Team
(Follow-up Assessment)

- Completed June 23, 2004
- Observations
  - Corrective Actions generally effective
  - Improvement in all 5 Cross-Cutting Issues
- Recommendation
  - Implement Change Management
- Conclusion
  - SCWE at Davis-Besse supports safe operation

Mid-Cycle Outage

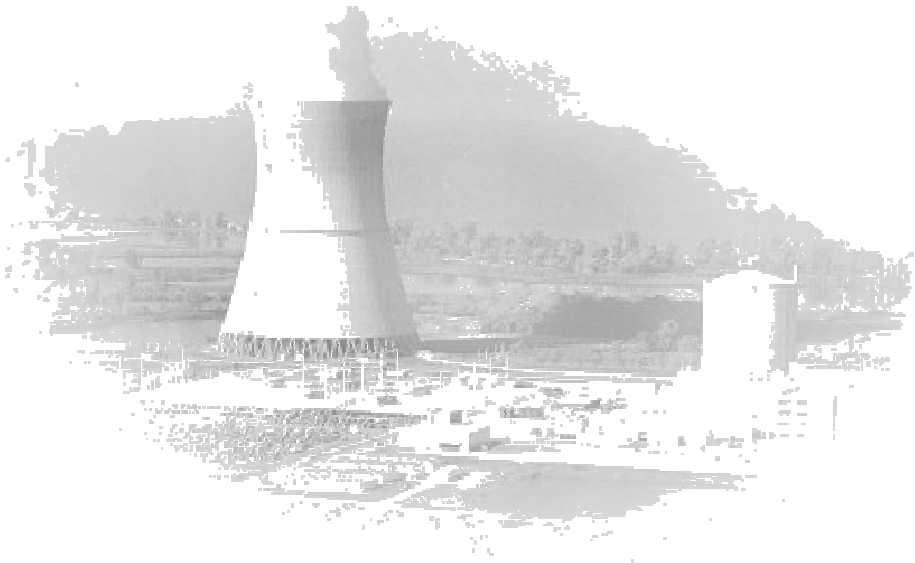


Mark Bezilla
Vice President

Mid-Cycle Outage

- Scheduled start date ~ January 17, 2005
- Project List includes
  - Boric Acid Corrosion Control Inspections
  - Reactor Head and Vessel Inspections
  - Once-Through Steam Generator Eddy Current Testing
  - Reactor Coolant Pump Inspections
- Focus
  - Nuclear, industrial, and radiological and environmental safety
  - Equipment reliability
- FENOC Readiness Review scheduled July 30

Oversight Perspective



Ralph Hansen

Vice President - Nuclear Oversight

2nd Quarter Summary

- Positive trends
  - Improvements in operations support
    - Team response to emergent issues
    - Sensitivity to reactor coolant leakage
  - Improvements in management focus on health of training programs
  - Work management programs
  - CARB performance

2nd Quarter Summary

- Continued focus areas
  - Procedure use, adherence, and content
  - Engineering rigor
  - Corrective Action Program
  - Vendor control

2nd Quarter Summary

- Future focus areas
  - –Implementation of new FENOC Organization
  - –Response to precursors
  - –Implementation of training improvements
  - –Mid-cycle outage preparation
  - –Emergency Plan Drills

Closing Comments

FENOC Vision:

People with a strong safety focus delivering top fleet operating performance

Mark Bezilla
Vice President